

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: COUNTY CLERK - MOTOR VEHICLES

DATE: APRIL 3, 2009

COMMITTEE MEMBERS PRESENT:

SUPERVISORS KENNY
 BELDEN
 SHEEHAN
 STRAINER
 PITKIN

OTHERS PRESENT:

PAM VOGEL, COUNTY CLERK
JODY ROSS, DEPUTY COUNTY CLERK
PATRICIA NENNINGER, SECOND ASSISTANT COUNTY
 ATTORNEY
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE &
 FISCAL SERVICES
JOAN SADY, CLERK, BOARD OF SUPERVISORS
KEVIN GERAGHTY, BUDGET OFFICER
SARAH MCLENITHAN, LEGISLATIVE OFFICE SPECIALIST

Mr. Kenny called the meeting of the County Clerk-Motor Vehicles Committee to order at 10:45 a.m.

Motion was made by Mr. Belden, seconded by Mr. Sheehan and carried unanimously to approve the minutes from the March 6, 2009 meeting of the County Clerk-Motor Vehicles Committee, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Pamela Vogel, County Clerk, who advised that the meeting had been scheduled to discuss the resolution that had been presented and tabled at the March 20, 2009 Board of Supervisors meeting regarding increasing the Transfer Tax. She apprised that a question arose on whether the County was authorized to exempt the first \$150,000 from paying the additional \$2 transfer tax that had been proposed. Mr. Kenny interjected that there was also mixed opinions about how much support the proposed increase in transfer tax from \$4 to \$6 per \$1,000 for sales of homes in excess of \$150,000 would have. Mrs. Vogel advised that Patricia Nenninger, Second Assistant County Attorney, was in attendance to provide an explanation on the legality of the proposed increase.

Mrs. Nenninger apprised that Columbia County authorized an imposition of transfer tax similar to the changes that were being proposed in Warren County. She referenced the sale of a home for \$151,000, for which the seller would pay the additional transfer tax on only \$1,000.

Mr. Kenny stated that his issue was whether it was fair to exempt the first \$150,000. He used as an example two neighbors selling their homes, one selling their home for \$149,000, therefore being exempt from the additional transfer tax and the other selling theirs for \$160,000 which required them to pay the additional transfer tax on \$10,000. He said he was concerned that there may be too much of a disparity in what individuals would be required to pay.

Mr. Belden questioned who was responsible to pay the transfer tax and Mr. Kenny responded the seller. Mr. Pitkin asked for clarification on how much of the increase in transfer tax would remain

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in Warren County and Mrs. Vogel responded that the proposed increase was from \$4 to \$6, and the County would retain the additional \$2.

Mrs. Nenninger interjected that the Columbia County exemption only pertained to single family residences that were less than \$150,000. Mr. Kenny advised that he felt it was necessary to not include the exemption, as he did not feel the dollar amount difference was significant. Mr. Strainer apprised that he felt that rather than increasing the transfer tax, the County should request that the State return \$1 out of the \$4 to the County.

Mr. Kenny commented that if the transfer tax was not increased, additional revenue would have to be sought elsewhere. Mr. Pitkin apprised that he felt that it was necessary to exempt properties up to \$150,000 so that lower income individuals were not affected. Mr. Kenny countered that his opinion was that the additional tax should be charged on all sales regardless of the amount. Mr. Kenny asked Mr. Sheehan if he had an opinion and Mr. Sheehan responded that he was unsure.

Mr. Geraghty suggested that Mrs. Vogel provide an estimate of how much additional revenue would have been received based on the transfer tax figures from the prior year. He advised that if the Supervisors were aware of the estimated revenue, they would be able to determine whether it was sufficient revenue to justify the increase. Mrs. Vogel apprised that the amount of revenue collected fluctuated with the real estate market.

Mr. Kenny questioned how much transfer tax was collected in 2008 and Mrs. Vogel replied that \$1,600,000 was collected of which \$2,600 remained in Warren County. Mrs. Vogel advised that as of the end of the first quarter in 2009, the County had collected \$100,000 less transfer tax than the prior year. She stated the total mortgage tax collected had increased due to a few larger sales that had taken place; however, she stated, unless there was a change in the real estate market, the County would be under budget for mortgage tax received in 2009.

Mr. Strainer commented that he had received the State statistics on real estate sales and he noted that while other Counties had a decrease in sales, Warren County had increased. Mr. Kenny mentioned that may be due to the Warren County property values being relatively low and Mr. Strainer countered that property values had actually increased by 5%. Mr. Strainer advised that if the transfer tax was increased it may deter people from purchasing homes in Warren County.

Mr. Sheehan suggested using the first quarter total amount of transfer tax collected as a model to estimate how much additional transfer tax would be collected for the year if it was increased from \$4 to \$6. Mrs. Vogel stated that in the first quarter of 2009, \$385,000 in transfer tax had been collected on the \$4 per \$1,000. She noted that if the additional \$2 had been collected the total transfer tax would have increased by approximately \$200,000.

Mr. Strainer suggested increasing the transfer tax by \$1 instead of \$2 with no exemptions. Mr. Kenny advised that sufficient revenue would not be generated by increasing the transfer tax by \$1. Mrs. Vogel advised that the Governor's proposed budget would have an impact on the County Clerk's

Office as he was proposing several fee increases with no additional revenue being generated to the County.

Motion was made by Mr. Belden, seconded by Mr. Sheehan and carried by majority vote to impose an additional \$2 in transfer tax for a total of \$6 per \$1,000 for all sales with Messrs. Pitkin and Strainer voting in opposition. The necessary resolution was authorized for the April 17, 2009 Board meeting.

Joan Sady, Clerk of the Board, explained that if the increase was approved at the April 17, 2009 Board meeting, the next step would be to submit a request for Legislation. She stated that she was unsure of whether the fee increase would be implemented prior to the end of the year.

There being no further business to come before the committee, on motion by Mr. Belden and seconded by Mr. Pitkin, Mr. Kenny adjourned the meeting at 11:06 a.m.

Respectfully submitted,

Sarah McLenithan, Legislative office Specialist